

**GOVERNMENT OF INDIA  
MINES  
LOK SABHA**

UNSTARRED QUESTION NO:4055  
ANSWERED ON:22.04.2008  
REVIVAL PACKAGE FOR HINDUSTAN COPPER LTD.  
Mahato Shri Narahari

**Will the Minister of MINES be pleased to state:**

- (a) whether the Union Government has evolved a revival package for the Hindustan Copper Ltd. (HCL);
- (b) if so, the details thereof;
- (c) if not, the reasons therefor;
- (d) whether the Union Government proposes to grant Voluntary Retirement Scheme (VRS) to the employees of HCL; and
- (e) if so, the details thereof alongwith the reasons therefor?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICAL & FERTILIZERS AND MINISTRY OF MINES (SHRI B.K. HANDIQUE)

(a) : Yes, Sir.

(b): Govt. of India has approved financial restructuring of HCL, which includes the following:-

- (i) Conversion of non-plan loan amounting to Rs.50.00 crore into equity (Rs.25 crore each released in 2005-06 and in 2006-07).
- (ii) Waiver of 7.5% non-cumulative redeemable preference share amounting to Rs.180.73 crore and its adjustment against accumulated losses.
- (iii) Restructuring of capital through reduction of face value of equity share from Rs.10 to Rs.5 amounting to Rs. 382.21 crore and its adjustment against the accumulated losses.
- (iv) Restoration of superannuation age to 60 years to preserve skills and provide a breathing time to the organization for formulation of proper succession plan.
- (v) Creation of post of Director (Mining) to drive the growth agenda in the mining domain.  
The above package is subject to HCL fulfilling the following:-
  - (i) The Company will reduce its cost of production of Copper Cathode from Rs. 225989 per MT in 2005-06 to a level which will enable the Company to breakeven at LME price of US \$ 2700 per MT of Copper Cathode.
  - (ii) The Company should spare no effort for reducing the cost of production and improving profitability by increased capacity utilization of Blister Copper/Copper Cathode and Copper Rod to a level of 100% and 95% respectively.

(c) Not applicable.

(d)&(e) No, Sir.